



Secure Access
at the Speed of Life

2016 Annual Work Plan

January, 2016



Seamless
Identification



Seamless
Access



Seamless
Technology



Seamless
Integration

Work Plan Table of Content



- Introduction
- Departments Work Plan
 - R&D (Slides 10-13)
 - Sales (Slides 14-22)
 - Marketing (Slides 23-27)
 - Operations (Slides 28-34)
- 12-Month Budget Plan (Slides 35-40)



The Market Demands and Ready for Change



BUT

Tier 1 Enterprises Expect Us to Overcome Technology Barriers

Technology Barriers



- Reduce **LIGHTING** dependencies
- Introducing a new **FRAUD** algorithm
- Enhance and improve **ENROLLMENT** system
- Enhance and improve **BIOMETRIC BEHAVIOUR** fusion
- Complete IMID **ENTERPRIZE READINESS**



Customer are Waiting For :



Lighting



Fraud



Transportation
Security
Administration



Dominion
It all starts here.®

**Sell to verticals that are
ready to buy IMID “as is”**

**Solve technology barriers
mainly lighting**



**Sports and
Health Clubs**



**Private
Clubs**



**Community
Centers**



Healthcare



**Universities/
colleges**



**Affordable
Living**



12-Month Work Plan

R&D



Road Map – Summary



	V 3.0.9 03/2016	V 3.6 08/2016	V 4.0 (Visual Identification) 12/2016
External Dependencies		- Low light (50Lux) - IR ? - Backlight – IR ?	- Low light - visual identification - Head Pose - Natural approach path
Fraud	Level 1 (common attacks e.g. paper or tablets)		Level 4 (advance attacks e.g. mask)
Enrollment		- Head pose filter - Blur filter - Expert filter	“0” re-enrollment
Ease of Use	Audit Trail	- User management - GUI - Dashboard	- Inventory management (?) - Cloud (?)
Enterprise	- Genetec Integration - On-Guard Integration - AMAG Integration	- Use IMID without “root” privileges - Role Management	

Major R&D 2016 processes



- Build significant algorithm team, with specialty in machine learning
- Build strong data analysis team within the algorithm team to collect and process significant amounts of data and provide product performance statistical analysis
- Move to Agile development processes
- Invest in automated testing to reduce testing cycles



The Agile: Scrum Framework at a glance

Inputs from Executives,
Team, Stakeholders,
Customers, Users



Product Owner



The Team



Product Backlog

Team selects starting at top as much as it can commit to deliver by end of Sprint

Sprint Planning Meeting

Task Breakout

Sprint Backlog



1-4 Week Sprint

Sprint end date and team deliverable do not change



Scrum Master

Burndown/up Charts



Every 24 Hours



Daily Scrum Meeting



Finished Work



Sprint Review

IMID Light Challenges



- Low Light and slow shutter speed creates motion blur
- Good Ambient light needs to be at all the approach pass
- Shadows on the face (uneven internal lighting)
- Half light face (side windows, uneven internal lighting)
- Transition from external light to internal (front doors)
- Back Light (lobby windows)



Motion blur



Shadows on the face



Half face



Back Light

FST Lightless (NIR only) Solution



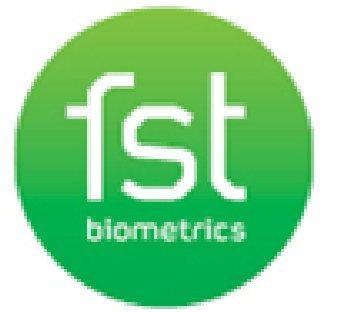
Provide a camera that will:

- Include NIR (730nm) frontal Illumination
 - *Sufficient to identify faces at 3 meter from the camera*
 - *Making sure we stay in Eye safety and avoid annoying glare*
- Adding a specially designed Narrow Band Pass filter
 - *Allowing the camera to see only the 730nm wavelength*
- 5 Mega Pixel, Dome camera
- Automatic illumination Intensity control

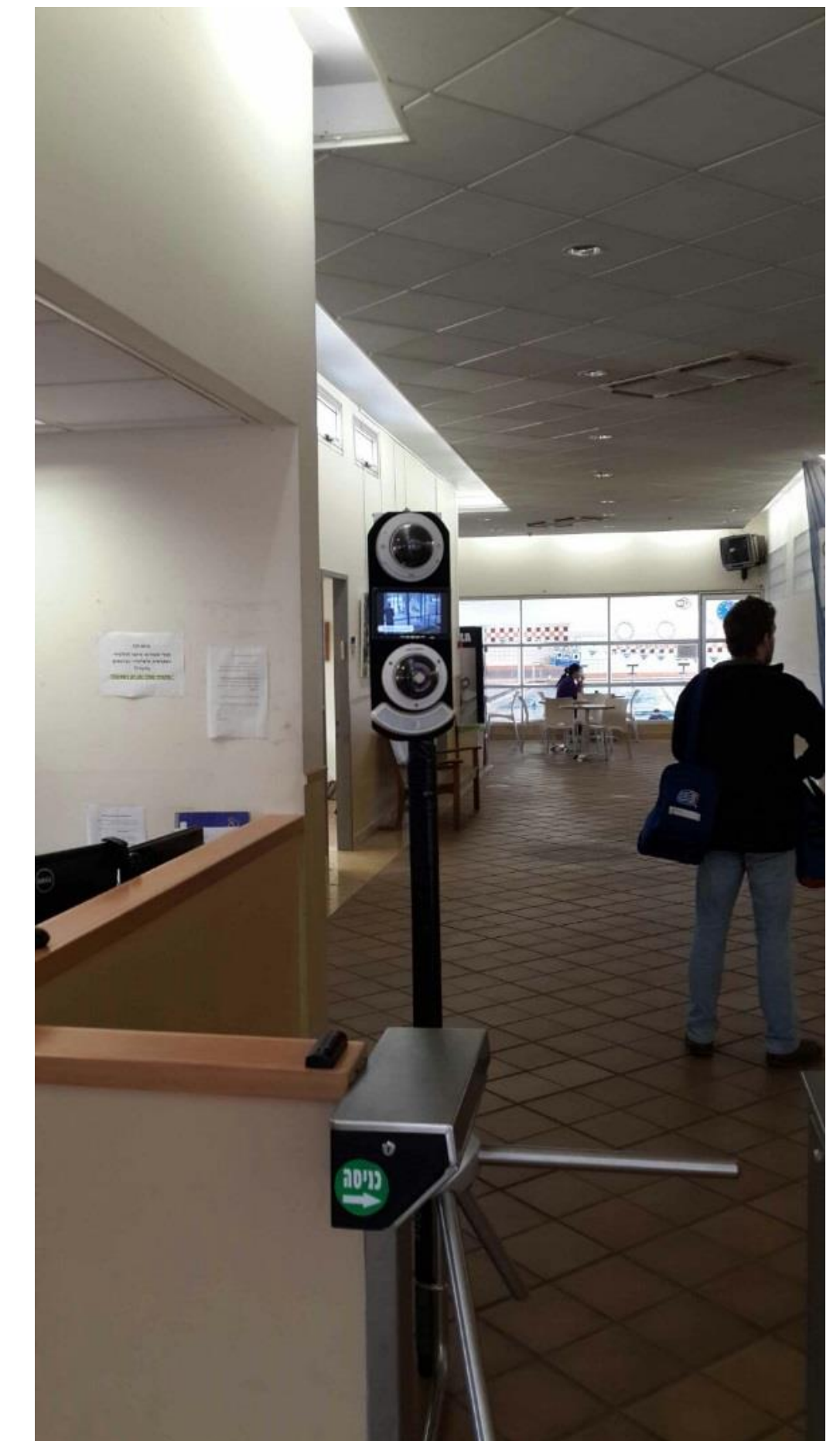


This will enable FST to minimize light dependency
By Bringing the light from Home

NIR Large POC Test



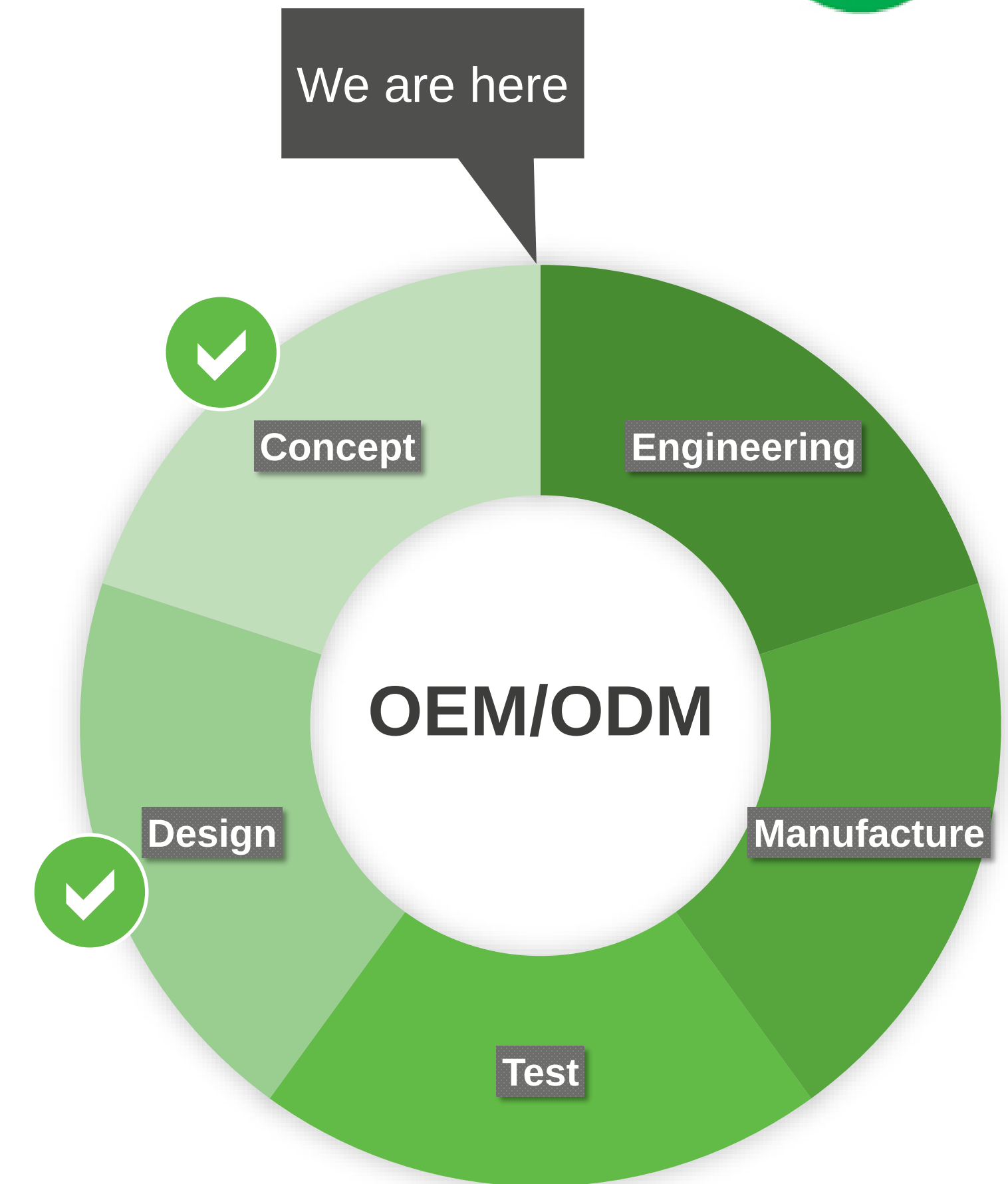
- System installed in a 2000 members sport facility
- Minimum 1000 members enrolled in Visible light and in NIR
- Evaluation of recognition performance will be performed by FST algorithm team after 2 weeks of full usage, expected by end of March



Developing and providing an ODM (FST Camera)



- Concept developed and tested ✓
- PRD (Product Requirement Document) Created ✓
- Select vendors and sign commercial agreements
- Work with vendors engineering team on PRD specification
- Test samples
- Complete NPI (New Product Introduction)
- Order GA products for sales, expected by end of August



Organization & Head count



Role	Count	Notes
Management	2	VP, CTO
Technology	1	
Software	8 [2 TBH]	Led by Elad Leibovitz
QA	5 [1 TBH]	Led by Tomer Wilson
Algorithms	16 [8 TBH]	Led by Hila Lebel Algorithms (6), Data analysis (6), SW tools and verification (3)
Integrations	2.5	
Total	34.5	

R&D Budget



R&D	2016	Estimated Actual 2015
Expenses Description	\$K	\$K
Payroll Costs	3,895	2,026
Travels Expenses	60	36
Equipment Samples	15	30
SW Tools	10	20
Patents Legal Fees	42	56
IT & Computing (inc. Amazon)	60	20
Sites Equipment	30	0
Production (Algo)	30	0
Miscellaneous	12	10
Subcontractors:		
Mobile Dev	15	0
FST Testing Lab	15	0
QA Automation Equipment	20	0
Agile Process	30	0
Agent NRE	40	0
Total	4,274	2,198

Sales



Sales Focus & Operating Changes



Customer Centric View! – We would like to delight our customers and grow our business with them!

1. The position of FST COO was eliminated.
2. Sales and support are operating as one unit under the VP of Sales and Business development.
3. A Global support manager was hired to coordinate all support and post-sale activities.
4. Sales and Marketing will focus in the first three quarters of 2016 on penetrating customers which are less sensitive to lighting conditions.
5. The main focus will be: Mid Market (SMB) customers, smaller deals but with a shorter decision-making time (JCCs, Health Clubs, education, Affordable housing, etc.).
6. In parallel, FST US's CEO will continue to maintain the relationship with the enterprise customers.

Sales Focus & Operating Changes



1. The Activity in APAC will be expended to new territories (Australia, Taiwan, Malesia, Indonesia) and will be managed by our local distributor.
2. The Activity in Brazil will be conducted only via our partnership with Hagana.
3. The EMEA activity will be based on FST's existing relations and integrators which are already on board, we plan to grow the business in current territories – UK, France, Netherlands.
4. Latin America sales activity will be based on ad-hoc opportunities and on current integrators - main focus country will be Mexico (3 trained integrators with potential opportunities).
5. The local activity in Israel will focus on Government Sector customers. It is based on preliminary success with a few security institutions (Air force, Airport, Shin Bet).

Revenue Forecast 2016 (in K\$)



Territory	North America USA(*)	Brazil Hagana	APAC	EMEA	<i>Total per Q</i>
Q1	100	0	20	50	170
Q2	220	30	30	70	350
Q3	280	60	50	80	470
Q4	400	60	50	100	610
Total	1,000	150	150	300	1,600

(*) not including revenues from major enterprise accounts

Pending Projects – Lighting



Project name	Location	Stage	Comments
Citigroup	Multiple	Awaiting turnstile lighting solution.	3 doors in production – Warren, NJ.
Simon Properties	Indianapolis - IN	Pilot assessment.	
Chase Manhattan	NYC - NY	Pending low-lighting solution.	
Goldman Sachs	Jersey - NJ	Pending low-lighting solution.	Client requires change in IMID operation level.
Vornado	NYC - NY	Pending low-lighting solution.	
First American	Rochester – NY	Pilot assessment.	
Kips Bay	NYC - NY	Successful first deployment	Needs low – lighting to move on.

Pending Projects – Fraud detection



Project name	Location	Stage	Comments
TSA	Seattle - WA	Pilot assessment.	
Genentech	S.F.- CA	Pilot assessment.	
Dominion Power	Woodbridge, VA	Pilot assessment.	
Ben Gurion Airport	Israel	Pilot assessment.	

Sales US HC & Budget



Headcount

	Current	2016
CEO	1	1
RSM	1	1
Experienced RSM	1	1
Sales Director	0	1
Office Manager	1	1
Operations Manager	1	1
Delivery Director	1	1
Project Manager/Pre Sales	1	1
Tech Support	1	1
Software Engineer	1	1
Total	9	10



Budget (K\$)

Sales US	2016	Estimated Actual 2015
Payrolls	1,190	1,097
Sales Reps	60	15
Rent	69	68
Communication & IT	20	12
Office Expenses	39	14
Professional Services	62	26
Traveling	307	262
Others	40	7
Total Operating Expenses	1,787	1,501

Sales ROW HC & Budget



Headcount

	Current	2016
VP Sales	1	1
RSM	1	1
Pre-Sale Engineer	1	1
Sales Advisor	1	1
Total	4	4



Budget (K\$)

Sales ROW	2016	Estimated Actual 2015
Payrolls Cost	474	364
Traveling	75	48
Salesforce + Valooto	36	13
Sales Commissions	61	0
New Territory (consultants and studies)	15	0
Total	661	424

Marketing



DREAM BIG

SET GOALS

TAKE ACTION

2016 Essentials – Product & Marketing



- Keep product roadmap of 3.0.9, 3.6 and 4.0 within the defined features and timing
- Maintain momentum in market positioning and reputation to keep Enterprise customer “hot”
- Generate leads to fill the funnel with opportunities in “niche” markets that can use the product “as is”
- Build positioning and marketing packaging for IMID Access Enterprise using the new visual identification algorithms
- Collect, analyze and disseminate comparative intelligence information
- Build efficient on-line training tool for sales channels (focus on sales and presales skills)



Main activities – Marketing Programs – Industry events



- 2 Major shows in the US – ASIS & ISC West (1 of them 20x20 booth and 1 hospitality suite)
- US vertical focus shows (Product “As Is”)
 - Community Centers (JCC, YMCA)
 - Sports and Private clubs
 - Jewish education
 - Universities/colleges
 - Affordable housing
- US regional NY shows - Asis NY (Q2), ISC East (Q4)
- Co-mktg Shows in ROW (Expo Seguridad, Security Essen (?), Securitex)



Main activities – Marketing Programs – Proprietary & Digital



Proprietary live events

- JCC Workshops – (March , Apr.)
- US A&E lunch & learn – Feb. , Sep
- US integrator lunch and learn – Feb. , Sep.

Digital programs

- Webinars
 - Attend/share industry webinar – Q2, Q4
 - Proprietary webinars (JCC, Clubs) – Q1, Q2
 - Digital third party content distribution – 3 programs
- Digital lead nurturing
- Improve web inquiries (SEO)



Main Activities – Communications, Baseline & Tools



- External Comms – PR (street & Industry) , Bylines, Social
- Internal Comms – Channel Newsletter (Q2,3,4)
- Web (SEO)
- Video productions – new corporate video and new applications “how to”
- Pilot tools for scalability - DORA (Do Once Repeat Anywhere)
- Sales channel on-line training (focus on sales and pre-sales)
- MAP (Marketing Automation)
- Complete development of a new demo case for sales



Main Activities – Product Related



- UI enhancement (3.6)
- Keep high quality & updated documentation
- Complete development of a feedback LED sign
- UL approval of LED sign
- Keep attractive visual presence of IMID installation on turnstile
- Collect, analyze and disseminate comparative intelligence information



Marketing Budget



Headcount

	Current	2016
CMO	1	1
Digital Marketing	1	1
Product Manager	1	1
Total	3	3



Budget (K\$)

Marketing	2016	Estimated Actual 2015
Payroll Cost	366	282
Travels Expenses	15	10
Trade Shows	399	254
PR and Marketing Writing/AR	96	104
Technical Writing	30	13
UI/UX and Graphical Designer	24	0
Web Management & SEO	41	10
Video Production	41	14
Industrial Design	76	27
Pilot Tools	6	0
Print Production	7	0
Third Party Content buy	40	3
CI	40	0
Marketing Tools	43	0
Miscellaneous	6	12
Total	1,229	730



Operations

Support



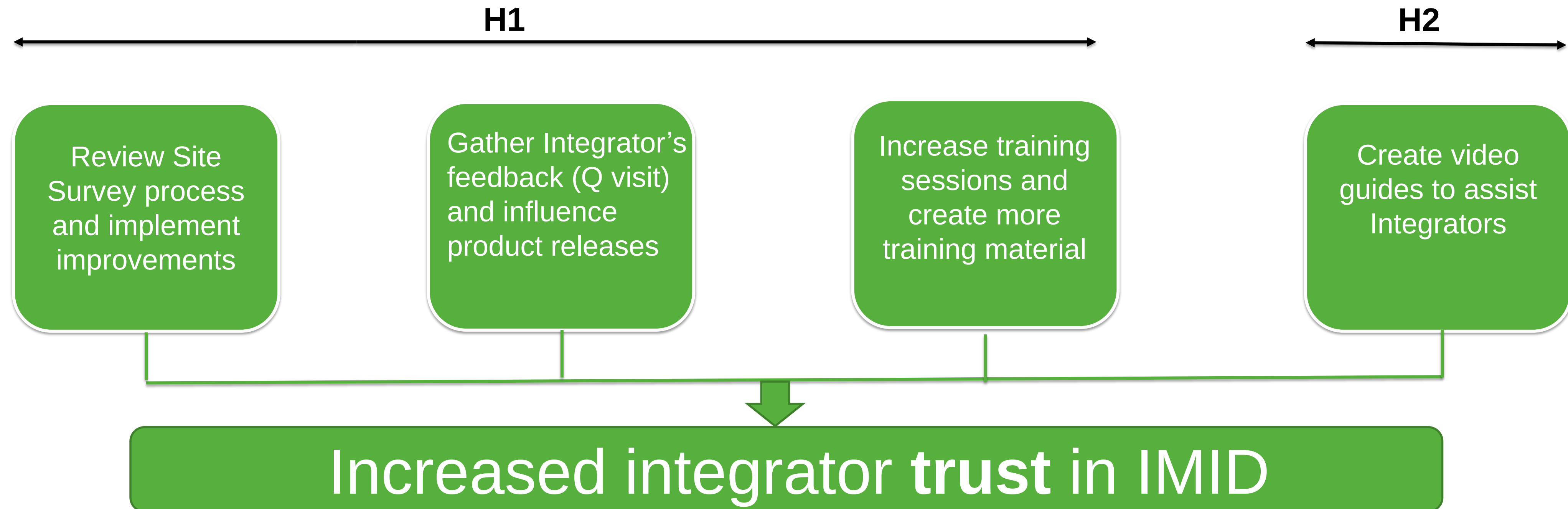
- Ease-Of-Use Integrator
- Customer management
- Monthly customer follow ups
- Knowledge management
- Supporting tools
- Professional Services



Ease of use



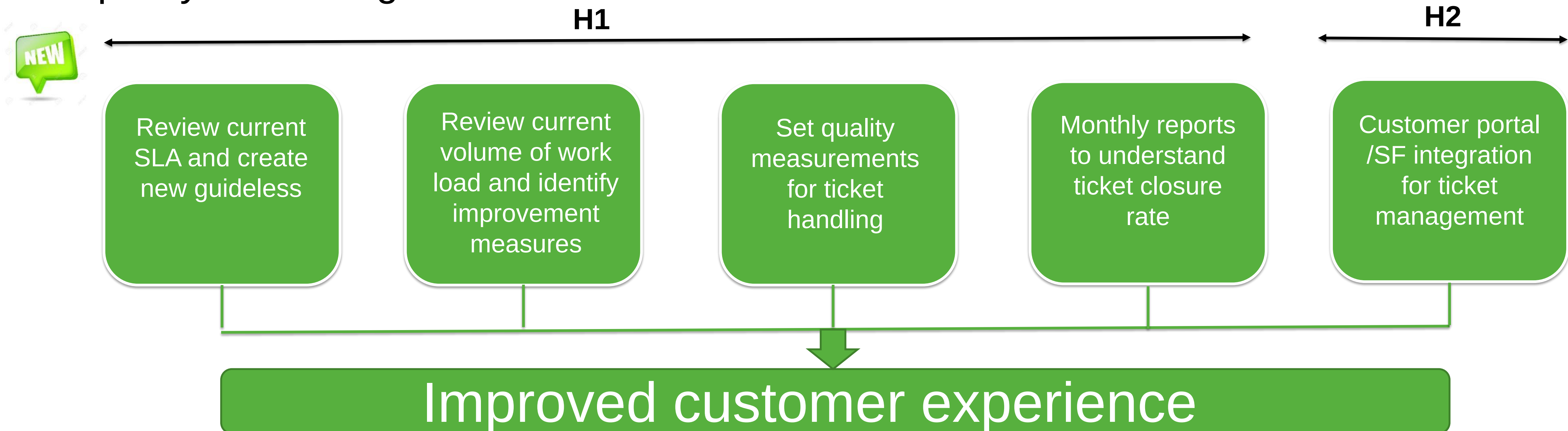
- We have to make sure our Integrators can build, operate and support our system flawlessly in order to demonstrate the true product capabilities



Customer management



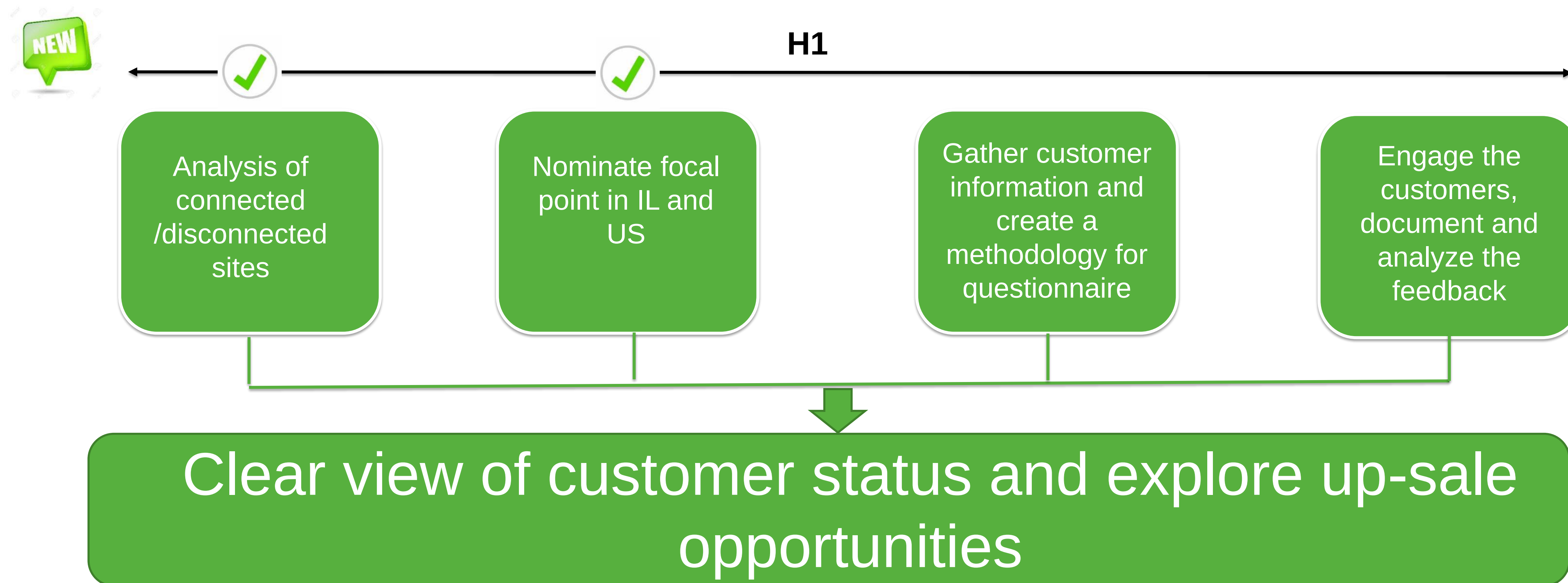
- Currently customers are contacting support via phone, sending emails to support@fstbm.com or direct mails.
- Support engineers need to **manually** update all information to SF.
- There are no clear SLA guidelines, Severity and Priority guidelines, KPI's or quality monitoring.



Monthly customer follow ups



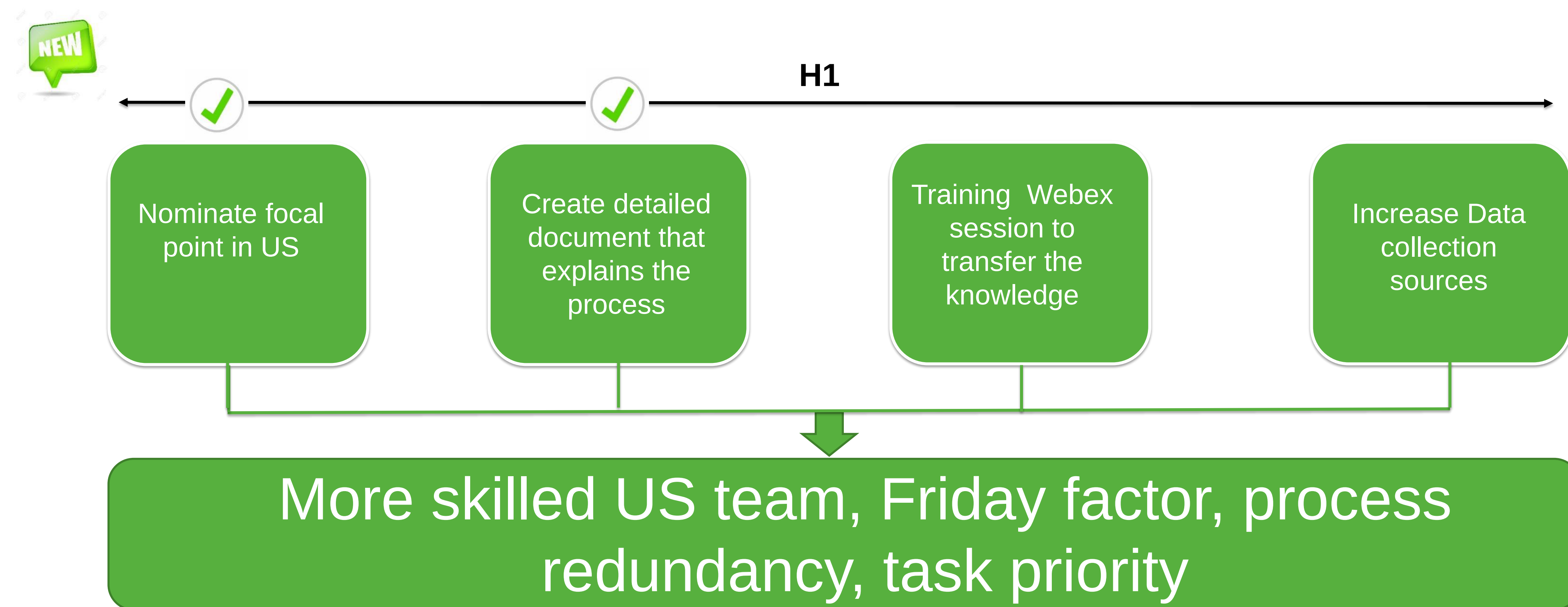
- Currently we have no proactive approach towards understanding the customer's status



Daily data collection



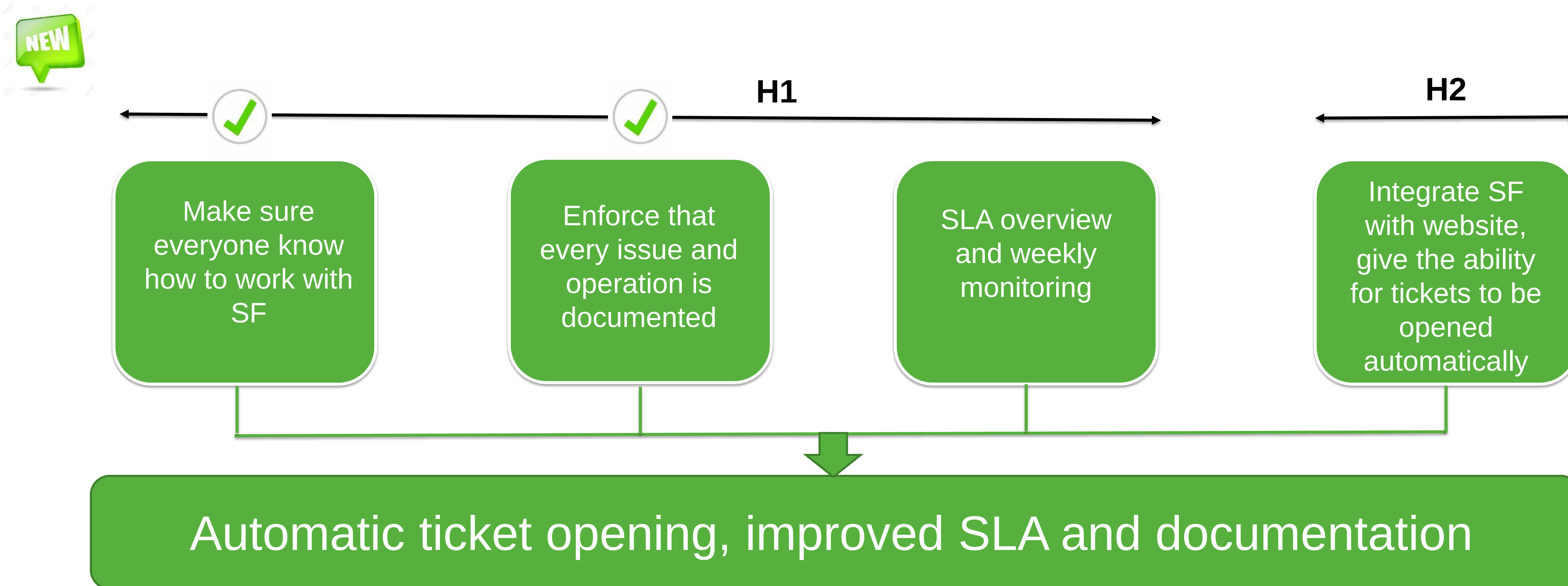
- Currently Natalie is handling all the Video Upload WW which create a bottle neck, no redundancy



Salesforce work flow



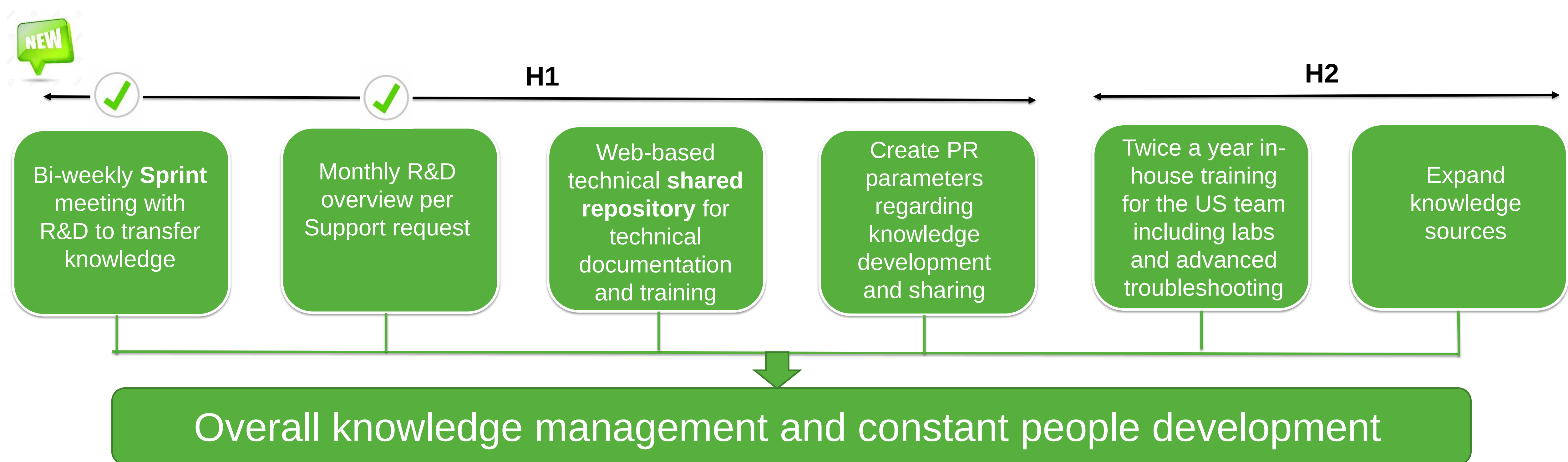
- Salesforce is the tool for support to manage external/internal communication
- Currently not everything is documented as the process is manual



Knowledge management



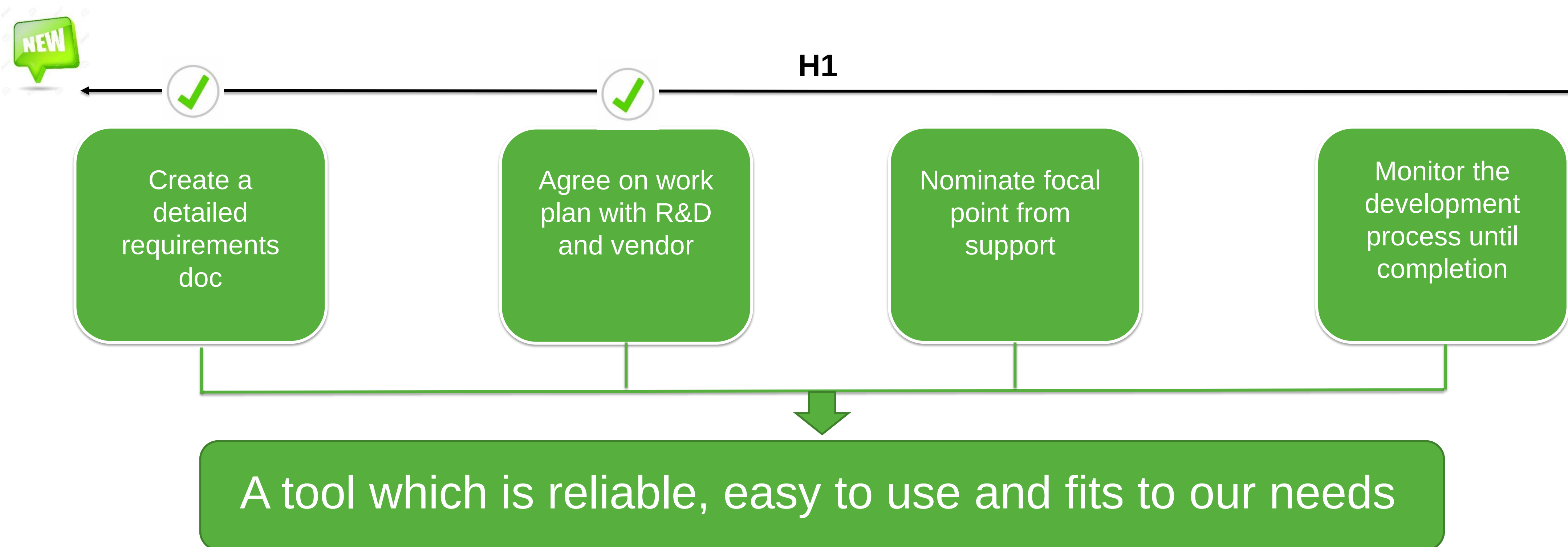
- Knowledge management is a key factor in the success of the support teams WW.
- Currently the teams work mostly in silos and little knowledge is being transferred on a regular basis, creating bottle necks.



Supporting tools



- Currently support use one tool which is not reliable and doesn't completely fit with our requirements.
- R&D are developing a tool for analysis of events by 3rd party vendor.



Professional Services



Roles and Services – H2



Vendor installation upgrade and project management

Proactive periodic health check

Onsite training and certification

Customer Hardware/Software Customization

Customized reporting and consultation

Operations Budget



Headcount

	Current	2016
COO	1	0
Global Support Manager	0	1
Project Manager	1	1
Support Technician	2	3
IT Manager	0	1
Performance Analyzer	1.5	3
Total	5.5	8.5



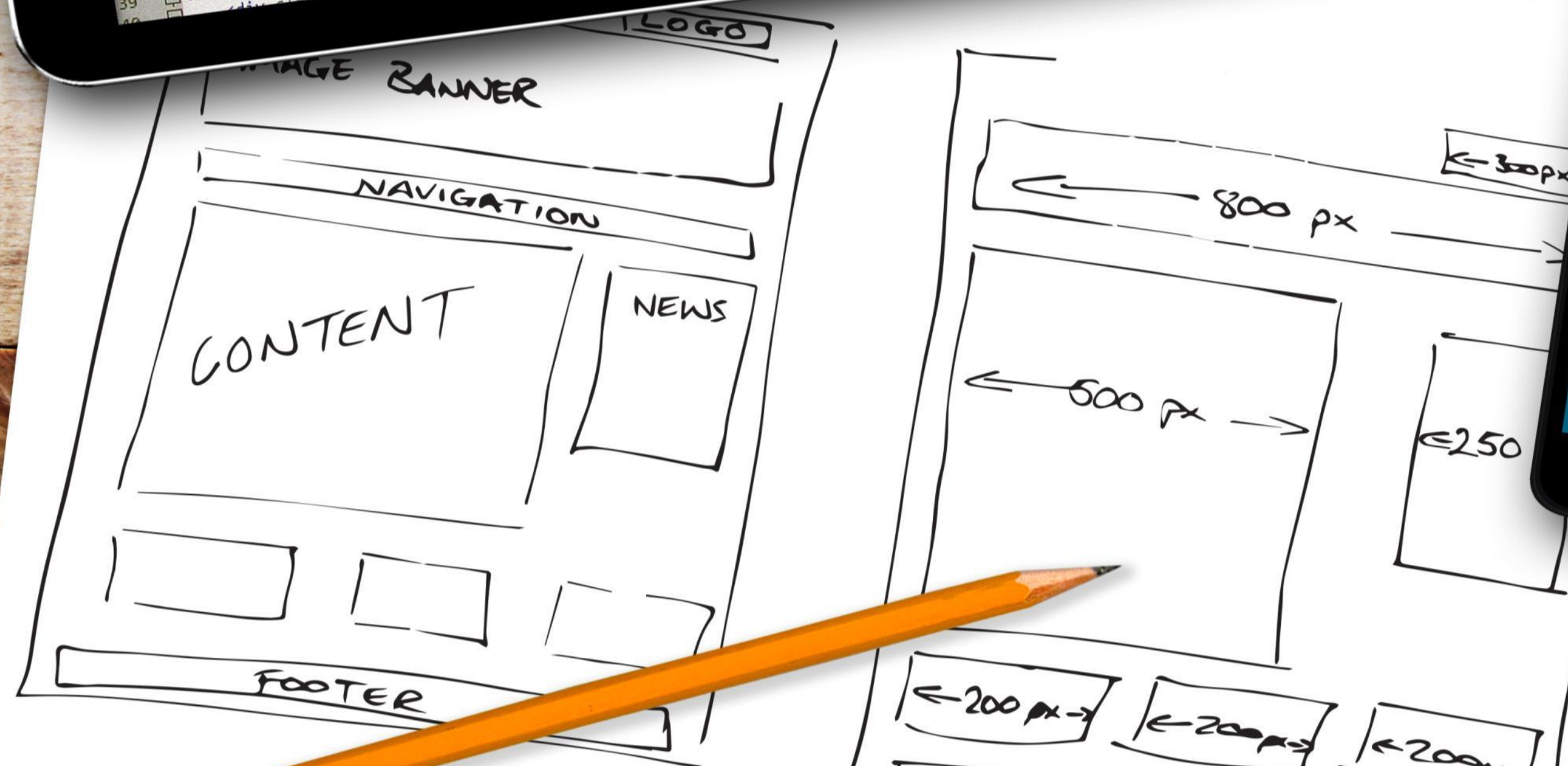
Budget (K\$)

Operations	2016	Estimated Actual 2015
Payrolls	527	442
Traveling	45	40
Consultant (Support)	25	20
Equipment	9	2
Miscellaneous	6	0
Total Operating Expenses	612	504

12 Month Budget Plan



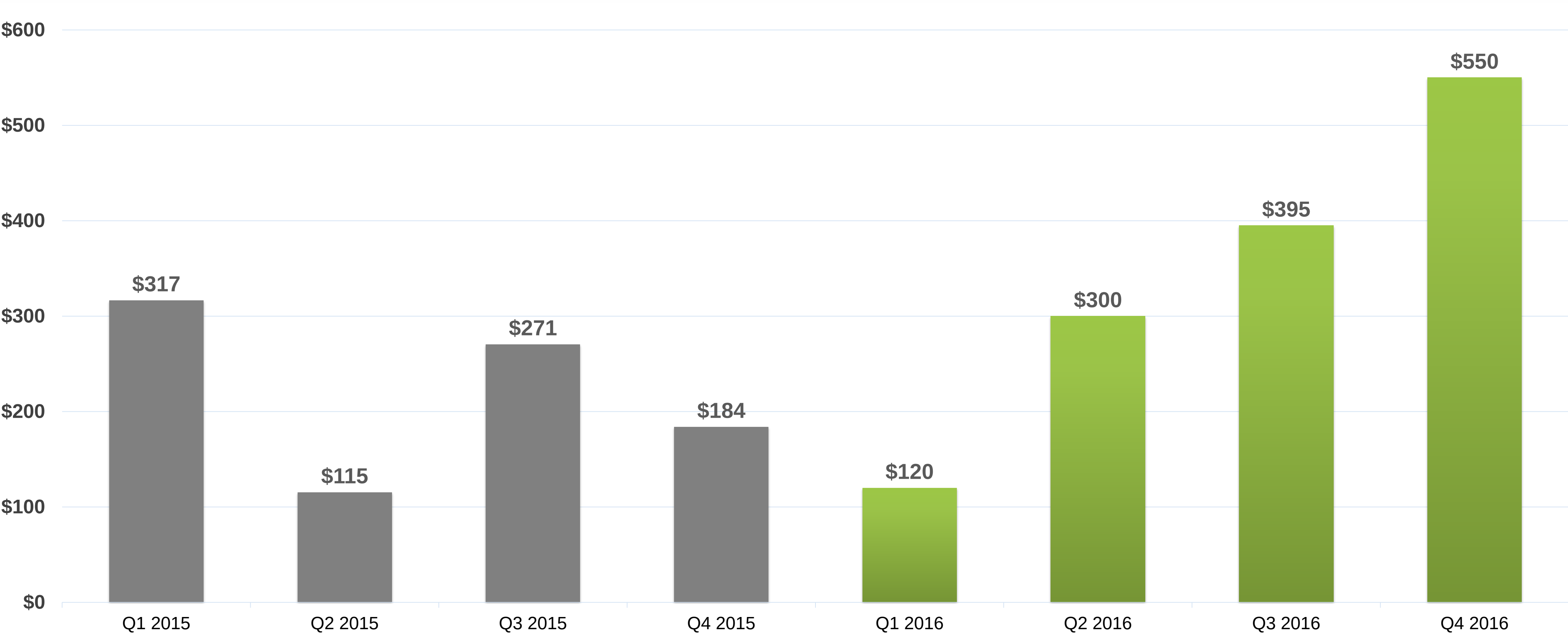
```
9  <li><a class="scroll" href="#product">
10  Service
11  </li></li>
12  <li><a class="scroll" href="#portfolio">
13  Products
14  </li></li>
15  <li><a class="scroll" href="#team">
16  Portfolio
17  </li></li>
18  <li><a class="scroll" href="#contact">
19  Team
20  </li></li>
21  <li><a class="scroll" href="#contact">
22  Contact
23  </li></li>
24  <div class="clear"></div>
25  </ul>
26  </nav>
27  <div class="logo">
28  <a href=".">
29  
30  
31  </a>
32  </div>
33  <a href="#" id="navbtn">Nav Menu</a>
34  <div class="clear"></div>
35  </div><!-- @end #topnav -->
36  </div>
37  <div class="slider" id="home">
38  <!--start-slider-->
39  </div>
```



Revenues Projection for Budget Planning, by Quarters (in \$K)



Sales in 2015 - \$887K ; Projected Sales in 2016 - \$1,365K



Revenues Projection, by Territories (in \$K)



in \$K	2015	2016
Israel&EMEA	\$309	\$240
USA	\$410	\$850
Brazil	\$85	\$125
APAC	\$83	\$150
Total	\$887	\$1,365

HC 2016 - Summary



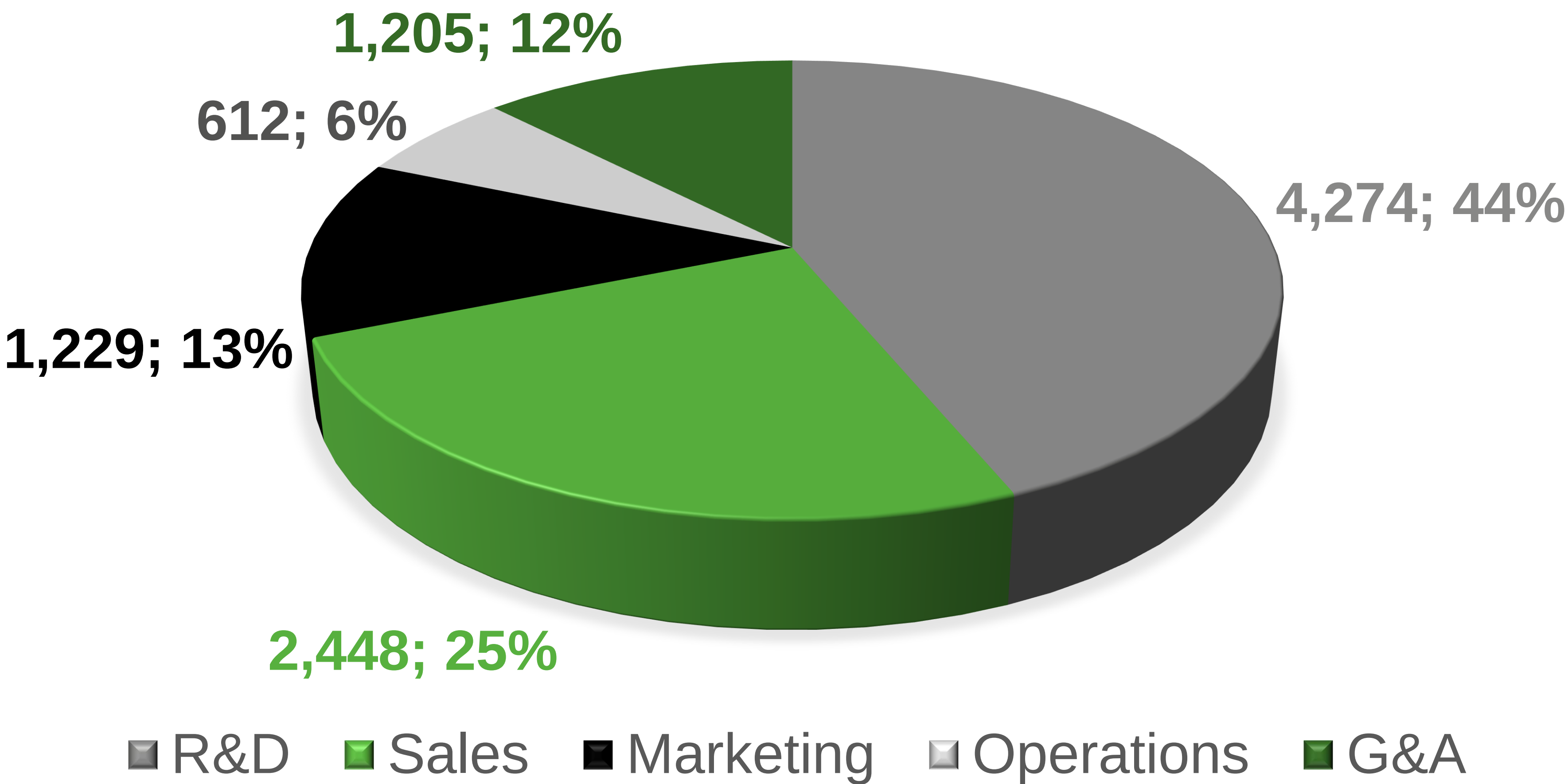
	Current	2016	Growth %
R&D	30	35	17%
Sales ROW	4	4	0%
Sales US	9	10	11%
Marketing	3	3	0%
Operations	5.5	9	%
G&A	4	5	25%
Total	55.5	66	34%

Budget 2016 - Summary



	Estimated Actual 2015	%	2016	%
R&D	2,198	34%	4,274	44%
Sales ROW	424	7%	661	7%
Sales US	1,501	24%	1,787	18%
Marketing	704	11%	1,229	13%
Operations	518	8%	612	6%
G&A	1,032	16%	1,205	12%
Total	6,377		9,768	

12-Month Budget Allocation, by Department



2016 Projected P&L



	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Total
Revenues	145	309	414	564	1,432
COGS	46	75	98	123	341
Gross Profit	99	234	317	441	1,091
in %	68%	76%	76%	78%	76%
Operating expenses:					
R&D Expenses, Less CSO Grants	873	1,020	1,052	1,051	3,996
Selling & Marketing	968	922	1,098	949	3,947
General and Administrative	346	284	286	290	1,205
Total Operating Expenses	2,186	2,226	2,437	2,289	9,138
EBITDA	-2,088	-1,991	-2,120	-1,848	-8,047
Head Count	60	63	65	65	

2016 Projected Cash Flow



	Opening Balance	Mar-16	Q2 2016	Q3 2016	Q4 2016	Total
Incoming Cash		98	121	300	394	913
Outgoing Cash						
COGS Total		46	75	98	123	341
R&D Expenses		335	1,151	1,184	1,182	3,853
Less, CSO Grants		-44	-132	-132	-132	-439
Selling		229	662	682	678	2,250
Marketing		94	260	416	271	1,041
General and Administrative		115	284	286	290	975
Total Outgoing Cash		775	2,300	2,534	2,412	8,022
Total Cash for the Period		-677	-2,179	-2,234	-2,018	-7,108
Accumulative Cash	7,200	6,523	4,344	2,110	92	

THANK YOU

